

A011 Fraud Prevention and Compliance

The Fraud Prevention and Compliance program serves as a key line of defense for the economic integrity of the industrial insurance state fund. The major functions of fraud prevention and compliance include audits of employer reporting, audits of provider billing at the fraud level, investigations of worker claims, and collection of funds owed to the agency as a result of delinquent premiums, audits, overpayments to claimants, and fraud. The goal of fraud prevention and compliance is to ensure that workers and providers receive only those benefits and funds that are properly due, while verifying that employers pay the proper premiums on a timely basis. Other activities include the investigation of cases involving potential discrimination against workers who exercise their right to file industrial insurance claims and an administrative function that allows reconsideration of assessments and class determination for employers.

	FY 2006	FY 2007	Biennial Total
FTE's	226.9	226.9	226.9
GFS	\$1,200	\$1,200	\$2,400
Other	\$14,447,406	\$15,070,003	\$29,517,409
Total	\$14,448,606	\$15,071,203	\$29,519,809

Statewide Result Area: Improve the quality and productivity of our workforce

Expected Results

Performing more than 3,000 audits yearly to ensure compliant reporting and payment. Investigating over 3,000 claims each year to ensure that benefits are paid properly. Collecting delinquent funds from more than 35,000 employers, claimants, and providers. Successfully auditing and investigating provider fraud cases. Conducting investigations of potential discrimination involving industrial insurance claims. Performing administrative reviews of employer assessments and classification determinations.

Dollars collected from employers as a result of delinquent premiums and audits.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$89	\$0	\$(89)
	4th Qtr	\$88	\$0	\$(88)
2003-05	8th Qtr	\$21.9	\$24.2	\$2.3
	7th Qtr	\$21.9	\$25.3	\$3.4
	6th Qtr	\$21.9	\$25	\$3.1
	5th Qtr	\$21.9	\$22.3	\$0.4

Appropriation Period: 2005-07 Activity Version: F2 - 2005-07 Activity Recast

Dollars identified as due from employer premium audits.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$10.5	\$0	\$(10.5)
	4th Qtr	\$10	\$0	\$(10)
2003-05	8th Qtr	\$2,450,000	\$2,984,706	\$534,706
	7th Qtr	\$2,450,000	\$3,134,765	\$684,765
	6th Qtr	\$2,450,000	\$5,144,123.37	\$2,694,123.37
	5th Qtr	\$2,450,000	\$2,588,753	\$138,753

Number of claims investigations completed.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	3,400	0	(3,400)
	4th Qtr	3,300	0	(3,300)
2003-05	8th Qtr	800	1,043	243
	7th Qtr	800	916	116
	6th Qtr	800	942	142
	5th Qtr	800	802	2

Number of employer premium audits completed.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	3,600	0	(3,600)
	4th Qtr	3,500	0	(3,500)
2003-05	8th Qtr	1,105	1,107	2
	7th Qtr	1,105	929	(176)
	6th Qtr	1,105	964	(141)
	5th Qtr	1,105	828	(277)

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Total dollars identified to collect and costs avoided as a result of claim investigations completed.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$850,000		
	7th Qtr	\$850,000		
	6th Qtr	\$850,000		
	5th Qtr	\$850,000		
	4th Qtr	\$825,000		
	3rd Qtr	\$825,000		
	2nd Qtr	\$825,000		
	1st Qtr	\$825,000		